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January 12, 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

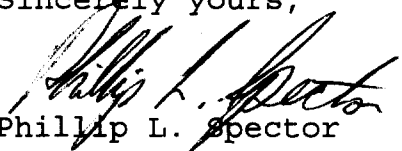
Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Ex Parte Presentation
Competitive Bidding Rulemaking
GN Docket No. 93-253

Dear Mr. Caton:

On January 12, 1994, Mr. Roger D. Linguist, and Mr. Corey Linguist, both of PageMart, Inc., and the undersigned, attorney for PageMart, Inc., met with the following individuals to discuss the above captioned rulemaking proceeding: Ms. Karen Brinkman, Office of Chairman Hundt; Mr. James Coltharp, Office of Commissioner Barrett; Dr. Brian Fontes, Office of Chairman Quello; and Dr. Robert Pepper, Office of Plans and Policy. A background paper, copies of which are attached hereto, was provided to each individual.

Sincerely yours,


Phillip L. Spector

Enclosures

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January 12, 1994

EX PARTE PRESENTATION
COMPETITIVE BIDDING RULEMAKING -- GN DOCKET NO. 93-253

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- o The Commission should tailor its narrowband auction procedures to the particular needs of narrowband service providers.
- o The Commission should design competitive bidding procedures that, ~~even~~ **FEDERAL COMMUNICATIONS COMMISSION** cost of allocative efficiencies, will ensure a diverse and competitive market **OFFICE OF THE SECRETARY** with opportunities for participation by small and mid-sized firms.
 - Congress directed the Commission to ensure a diverse and competitive market. A wide range of providers also best serves the public interest.
- o "Open" bidding procedures coupled with preferences for small firms will squeeze mid-sized firms from the market. Only *single, sealed bids* assure a level playing field.
 - Open bidding formats are "efficient": firms most valuing licenses will win them. Efficiency, however, is not the Commission's only goal. Awarding licenses "efficiently" -- to the firms that value them most -- guarantees that mid-sized firms will be unable to compete.
 - Preferences will assist only the narrow range of small firms that qualify for them. Mid-sized firms will have neither the ability to outbid larger firms nor assistance from the Commission in the form of preferences.
 - Sealed bids will force deep pockets either to bid closer to the economic value they place on a license, or to risk losing the license.
- o The same price should be paid for identical goods, and thus homogenous narrowband licenses should be subject to a simultaneous single, sealed bid.
- o Only combinatorial bidding can adequately express the synergies inherent in groups of licenses. Combinatorial bidding is appropriate for narrowband PCS licenses because a diverse group of two-way data service providers will not be able to survive without additional supra-regional and national licenses.
- o The Commission should not rule on requests for waivers until the auction is completed. To do otherwise would be to favor certain applicants and delay the auction unnecessarily.

Pursuant to 47 C.F.R. § 1.1206(a)(1), two copies of this document have been submitted to the Secretary of the Federal Communications Commission.